Economics

Chapters 5 and 6 Review

Capitalism

Communism

Low Unemployment

Inflation

Deflation

Economic Growth

Privatization

Nationalization

Safety net

Command Economy

Market Economy

Radical Capitalism

Laissez-Faire or classic-liberal capitalism

State Capitalism

Centralized Socialism

Public Goods

Economic Darwinism

Mercantilism

Laissez-faire liberalism

The Invisible Hand p. 110

The Three Economic Questions

The market solution to the 3 economic questions

The command solution to the economic questions

Egalitarianism

Safety Net

Consumer goods

Capital Goods

Economic goals of a nation

Some questions to consider:

* List and explain the Four Primary Objectives (National Economic Goals)
* What is the Economic Problem?
* Why are stable prices important?
* Does God’s Word value economic growth?
* What are some of the problems and controversies surrounding the goal of a ***Fair Distribution of Income?***
* List and explain the three Economic Questions.
* Know how a command economy answers the economic questions.
* Know how a market economy answers the economic questions.
* Adam Smith’s contributions to economics.
* What constitutes wealth according to Adam Smith?
* What are the two questions to ask in determining whether a nation tends toward capitalism or socialism?
* List and explain the forms of capitalism.
* List and explain the forms of socialism.
* Know the Biblical principles supporting capitalism. (Private Property ownership & individual accountability with rewards and punishments)
* Understand the weaknesses of capitalism.
* What is the over-arching trend in capitalism/socialism?